

11/21/68

LOGISTICS DEPARTMENT

BUDGET STATUS -- ASSESSMENT OF USABLE FUNDS

BUDGET AS OF 20 NOVEMBER 1968

Project RAND	\$405.4	
ISA	10.3	
AGILE	14.0	
Insurgent Forces	0	Assume no program.
ASD	1.0	
San Jose	3.7	
PONYA	14.0	
NYC Police	7.9	
NYC Fire	15.2	
NYC Housing	57.4	Assume we cover Logs rate.
CSR	9.6	
Indirect	1.2	
Professional	6.0	
Paid Leave	78.5	
	<u>624.2</u>	

Have spent Sept and Oct.	\$233,463
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Estimate for next 4 mos.	<u>474,251</u>
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Expected Expenditures	\$707,714
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Budget	<u>624,200</u>
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6 month overrun	<u>\$ 83,514</u>
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Second 6 month period

Expected expenditures	\$712,224
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Expected budget (no EDA) or Insurgent Forces	<u>\$585,100</u>
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6 month overrun	<u>\$127,124</u>
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12 month overrun	<u>\$210,638</u>
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CASE 1

Worse Situation - Dept. has to assume complete responsibility

Contract Year

Expected overrun (gross) $\$210.6 \times 10^3$

1) Expected Voluntary Attrition

Assume 5% (low) 3 people
at $\$1400/\text{mo} = 5 \text{ mo} \times 4200 = \frac{21.0 \times 10^3}{189.6}$
expected overrun

2) Consultant Budget Transfer

Assume continue spending at present rate of $\$2500/\text{mo}$, we will have
 $\$20,000$ underrun at end of Feb. 1969

If continue at rate of $\$2500/\text{mo}$ 2nd half, we will spend $\$15,000$
leaving a balance of $\$38,000$

$\$20 \times 10^3$	first 6 mos/1.33 =	15.0
$\$38 \times 10^3$	2nd 6 mos/1.33 =	<u>28.6</u>
Total avail. $\$58 \times 10^3$		43.6

3) Expectations - Attrition - Consultant Option =

	189.6
	<u>43.6</u>
Expected overrun	$\$146.0 \times 10^3$

4) Staff Reduction Option

Assume minimum notice of 2 months

If acted by Dec. 1 = Feb effective date would involve

6 mos, $\times \$1400 \times Y = 146 \times 10^3 = 15 \text{ people}$

Case 2

Assume EDA goes thru and the level of effort increases so we can spend full budget amount in last half.

Repeat steps 1 thru 3

4) EDA funds for salary	$\$66.4 \times 10^3$
Expected overrun	$\$79.6 \times 10^3$

5) Staff reduction option

$$\$1400 \times 7 \times Y = \$79.6 = 8 \text{ people}$$

Case 3

Repeat steps 1 thru 4

5) Assume PONYA contract comes thru as of 1 January at a rate of \$100,000 per year including overhead. Logs would get approximately \$35,000 for direct salaries.

$$\begin{array}{r} \$35,000 \\ \hline \$44.6 \times 10^3 \end{array}$$

6) Staff reduction

$$\$1400 \times 7 \times Y = \$44.6 = \text{between 4 and 5 people}$$